

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.

(Also Part I, §§ 61, 168, 280F; 1.61-21, 1.280F-7.)

Rev. Proc. 2003-75

SECTION 1. PURPOSE

01. This revenue procedure provides: (1) limitations on depreciation deductions for owners of passenger automobiles first placed in service by the taxpayer during calendar year 2003, including special tables of limitations on depreciation deductions for trucks and vans, and for passenger automobiles designed to be propelled primarily by electricity and built by an original equipment manufacturer (electric automobiles); (2) the amounts to be included in income by lessees of passenger automobiles first leased by the taxpayer during calendar year 2003, including a separate table of inclusion amounts for lessees of trucks and vans, and a separate table for lessees of electric automobiles; and (3) the maximum allowable value of employer-provided passenger automobiles first made available to employees for personal use in calendar year 2003 for which the vehicle cents-per-mile valuation rule provided under § 1.61-21(e) of the Income Tax Regulations may be applicable.

02. This revenue procedure also provides: (1) tables of dollar limitations on depreciation deductions for owners of passenger automobiles to which the additional 30 percent first-year allowance for depreciation available under § 168(k)(1)(A) applies, including special tables of limitations on depreciation deductions for qualifying trucks and vans and for qualifying electric automobiles; (2) tables of dollar limitations on depreciation deductions for owners of passenger automobiles to which the additional 50 percent first-year allowance for depreciation available under § 168(k)(4) applies, including special tables of limitations on depreciation deductions for qualifying trucks and vans and for qualifying electric automobiles; and (3) revised tables of dollar limitations for passenger automobiles and electric automobiles that were placed in service by the taxpayer during 2001 and 2002 and to which the additional 30 percent first-year allowance for depreciation available under § 168(k)(1)(A) applies. For purposes of these tables, the additional 30 percent or 50 percent first-year allowance does not apply if the taxpayer has elected under § 168(k)(2)(C)(iii) not to take the additional allowance. Similarly, the additional 50 percent first-year allowance does not apply if the taxpayer has elected under § 168(k)(4)(E) to take the additional 30 percent allowance instead of the additional 50 percent allowance.

03. The tables detailing these depreciation limitations and lessee inclusion amounts reflect the automobile price inflation adjustments required by § 280F(d)(7). The

maximum allowable passenger automobile value for applying the vehicle cents-per-mile valuation rule reflects the automobile price inflation adjustment of § 280F(d)(7) of the Internal Revenue Code, as required by § 1.61-21(e)(1)(iii)(A).

SECTION 2. BACKGROUND

01. For owners of passenger automobiles, § 280F(a) imposes dollar limitations on the depreciation deduction for the year that the passenger automobile is placed in service by the taxpayer and each succeeding year. In the case of electric automobiles placed in service after August 5, 1997, and before January 1, 2005, § 280F(a)(1)(C) requires tripling of these limitation amounts. Section 280F(d)(7) requires the amounts allowable as depreciation deductions to be increased by a price inflation adjustment amount for passenger automobiles placed in service after 1988. The method of calculating this price inflation amount for trucks and vans placed in service in or after calendar year 2003 uses a different CPI "automobile component" (the "new trucks" component) than that used in the price inflation amount calculation for other passenger automobiles (the "new cars" component), resulting in somewhat higher depreciation deductions for trucks and vans. This change reflects the higher rate of price inflation that trucks and vans have been subject to since 1988. For purposes of this revenue procedure, the term "trucks and vans" refers to passenger automobiles that are built on a truck chassis, including minivans and sport utility vehicles (SUVs) that are built on a truck chassis.

02. Section 101 of the Job Creation and Worker Assistance Act of 2002, Pub. L. No. 107-147, 116 Stat. 21 (March 9, 2002) added § 168(k) to the Code. Generally, § 168(k)(1)(A) provides an additional 30 percent first-year depreciation deduction for new property acquired by the taxpayer after September 10, 2001, and before September 11, 2004 (subsequently extended to January 1, 2005), so long as no written binding contract for the acquisition of the property existed prior to September 11, 2001. In the case of a passenger automobile to which the 30 percent additional allowance applies (other than a § 168(k)(4) passenger automobile described in section 2.03 of this revenue procedure, or a passenger automobile for which a taxpayer has made an election under § 168(k)(2)(C)(iii)), § 168(k)(2)(E) increases the first-year depreciation allowed under § 280F(a)(1)(A) by \$4,600. For purposes of this revenue procedure, a passenger automobile to which the additional 30 percent first-year allowance under § 168(k)(1)(A) applies (other than a § 168(k)(4) passenger automobile described in section 2.03 of this revenue procedure, or a passenger automobile for which a taxpayer has made an election under § 168(k)(2)(C)(iii)) is referred to as a "§ 168(k)(1) passenger automobile".

03. Section 201 of the Jobs and Growth Tax Relief Reconciliation Act of 2003, Pub. L. No. 108-27, 117 Stat. 752 (May 28, 2003) added § 168(k)(4) to the Code. Section 168(k)(4)(A)(i) provides that § 168(k)(1) is applied by substituting "50 percent" for "30 percent" for new property acquired by the taxpayer after May 5, 2003, and before January 1, 2005, so long as no written binding contract for the acquisition of the property existed prior to May 6, 2003. In the case of a passenger automobile to which the 50 percent additional allowance applies (or would apply but for an election under § 168(k)(4)(E)) and for which no election has been made under § 168(k)(2)(C)(iii), §

168(k)(4)(D) increases the first-year depreciation allowed under § 280F(a)(1)(A) by \$7,650. For purposes of this revenue procedure, a passenger automobile to which the additional 50 percent first-year allowance under § 168(k)(4) applies (or would apply but for an election under § 168(k)(4)(E)) and for which no election has been made under § 168(k)(2)(C)(iii) is referred to as a "§ 168(k)(4) passenger automobile".

04. For leased passenger automobiles, § 280F(c) requires a reduction in the deduction allowed to the lessee of the passenger automobile. The reduction must be substantially equivalent to the limitations on the depreciation deductions imposed on owners of passenger automobiles. Under § 1.280F-7(a), this reduction requires the lessees to include in gross income an inclusion amount determined by applying a formula to the amount obtained from a table. There is a table for lessees of electric automobiles, a table for lessees of trucks and vans, and a table for all other passenger automobiles. Each table shows inclusion amounts for a range of fair market values for each tax year after the passenger automobile is first leased. These tables should also be used by lessees of § 168(k)(1) passenger automobiles and § 168(k)(4) passenger automobiles.

05. For passenger automobiles (including trucks, vans, and electric automobiles) first provided by employers to employees that meet the requirements of § 1.61-21(e)(1), the value to the employee of the use of the passenger automobile may be determined under the vehicle cents-per-mile valuation rule of § 1.61-21(e). Section 1.61-21(e)(1)(iii)(A) provides that for a passenger automobile first made available after 1988 to any employee of the employer for personal use, the value of the use of the passenger automobile may not be determined under the vehicle cents-per-mile valuation rule for a calendar year if the fair market value of the passenger automobile (determined pursuant to § 1.61-21(d)(5)(i) through (iv)) on the first date the passenger automobile is made available to the employee exceeds \$12,800 as adjusted by § 280F(d)(7).

SECTION 3. SCOPE AND OBJECTIVE

01. The limitations on depreciation deductions in section 4.02(2) of this revenue procedure apply to passenger automobiles (other than leased passenger automobiles) that are placed in service by the taxpayer in calendar year 2003, and continue to apply for each tax year that the passenger automobile remains in service.

02. The tables in section 4.03 of this revenue procedure apply to leased passenger automobiles for which the lease term begins during calendar year 2003. Lessees of such passenger automobiles must use these tables to determine the inclusion amount for each tax year during which the passenger automobile is leased. See Rev. Proc. 2002-14, 2002-1 C.B. 450, for passenger automobiles first leased before January 1, 2003.

03. The maximum fair market value figure in section 4.04(2) of this revenue procedure applies to employer-provided passenger automobiles first made available to any employee for personal use in calendar year 2003. See Rev. Proc. 2002-14 for the maximum fair market value figure for passenger automobiles first made available before January 1, 2003.

04. The revised limitations on depreciation deductions in section 4.05(2) of this revenue procedure apply to § 168(k)(1) passenger automobiles placed in service by the taxpayer during 2001 and 2002. The tables in section 4.05(2) of this revenue procedure amplify both Rev. Proc. 2001-19, 2001-1 C.B. 732, and Rev. Proc 2002-14 by providing tables for § 168(k)(1) passenger automobiles to which those revenue procedures apply.

SECTION 4. APPLICATION

01. In General.

(1) **Limitations on Depreciation Deductions for Certain Automobiles.** The limitations on depreciation deductions for passenger automobiles placed in service by the taxpayer for the first time during calendar year 2003 are found in Tables 1 through 9 in section 4.02(2) of this revenue procedure. Table 1 of this revenue procedure provides limitations on depreciation deductions for a passenger automobile (other than a truck, van, electric automobile, § 168(k)(1) passenger automobile, or § 168(k)(4) passenger automobile). Table 2 of this revenue procedure provides limitations on depreciation deductions for a § 168(k)(1) passenger automobile (other than a truck, van, or electric automobile). Table 3 of this revenue procedure provides limitations on depreciation deductions for a § 168(k)(4) passenger automobile (other than a truck, van, or electric automobile). Table 4 of this revenue procedure provides limitations on depreciation deductions for a truck or van (other than a § 168(k)(1) passenger automobile or § 168(k)(4) passenger automobile). Table 5 of this revenue procedure provides limitations on depreciation deductions for a truck or van that is a § 168(k)(1) passenger automobile. Table 6 of this revenue procedure provides limitations on depreciation deductions for a truck or van that is a § 168(k)(4) passenger automobile. Table 7 of this revenue procedure provides limitations on depreciation deductions for an electric automobile (other than a § 168(k)(1) passenger automobile or § 168(k)(4) passenger automobile). Table 8 of this revenue procedure provides limitations on depreciation deductions for an electric automobile that is a § 168(k)(1) passenger automobile. Table 9 of this revenue procedure provides limitations on depreciation deductions for an electric automobile that is a § 168(k)(4) passenger automobile.

(2) **Inclusions in Income of Lessees of Passenger Automobiles.** A taxpayer first leasing a passenger automobile during calendar year 2003 must determine the inclusion amount that is added to gross income using the tables in section 4.03 of this revenue procedure. The inclusion amount is determined using Table 10 in the case of a passenger automobile (other than a truck, van, or electric automobile), Table 11 in the case of a truck or van, and Table 12 in the case of an electric automobile. In addition, the procedures of § 1.280F-7(a) must be followed.

(3) **Maximum Automobile Value for Using the Cents-per-mile Valuation Rule.** An employer providing a passenger automobile for the first time in calendar year 2003 for the personal use of any employee may determine the value of the use of the passenger automobile by using the cents-per-mile valuation rule in § 1.61-21(e) if the fair

market value of the passenger automobile does not exceed the amount specified in section 4.04(2) of this revenue procedure. If the fair market value of the passenger automobile exceeds the amount specified in section 4.04(2) of this revenue procedure, the employer may determine the value of the use of the passenger automobile under the general valuation rules of § 1.61-21(b) or under the special valuation rules of § 1.61-21(d) (Automobile lease valuation) or § 1.61-21(f) (Commuting valuation) if the applicable requirements are met.

(4) Limitations on Depreciation Deductions for Certain Passenger Automobiles Placed in Service in 2001 or 2002. Depreciation deductions with respect to § 168(k)(1) passenger automobiles placed in service during calendar year 2001 or 2002 are limited to the amounts set forth in Tables 13 through 16 of section 4.05(2) of this revenue procedure.

02. Limitations on Depreciation Deductions for Certain Automobiles.

(1) Amount of the Inflation Adjustment. Under § 280F(d)(7)(B)(i), the automobile price inflation adjustment for any calendar year is the percentage (if any) by which the CPI automobile component for October of the preceding calendar year exceeds the CPI automobile component for October 1987. The term "CPI automobile component" is defined in § 280F(d)(7)(B)(ii) as the "automobile component" of the Consumer Price Index for all Urban Consumers published by the Department of Labor (the CPI). The new car component of the CPI was 115.2 for October 1987 and 136.7 for October 2002. The October 2002 index exceeded the October 1987 index by 21.5. The Service has, therefore, determined that the automobile price inflation adjustment for 2003 for passenger automobiles (other than trucks and vans) is 18.66 percent ($21.5/115.2 \times 100\%$). This adjustment is applicable to all passenger automobiles (other than trucks and vans) that are first placed in service in calendar year 2003. The dollar limitations in § 280F(a) must therefore be multiplied by a factor of 0.1866, and the resulting increases, after rounding to the nearest \$100, are added to the 1988 limitations to give the depreciation limitations applicable to passenger automobiles (other than trucks, vans, and electric automobiles) for calendar year 2003. To determine the dollar limitations applicable to an electric automobile first placed in service during calendar year 2003, the dollar limitations in § 280F(a) are tripled in accordance with § 280F(a)(1)(C) and are then multiplied by a factor of 0.1866; the resulting increases, after rounding to the nearest \$100, are added to the tripled 1988 limitations to give the depreciation limitations for calendar year 2003. To determine the dollar limitations applicable to trucks and vans first placed in service during calendar year 2003, the new truck component of the CPI is used instead of the new car component. The new truck component of the CPI was 112.4 for October 1987 and 147.5 for October 2002. The October 2002 index exceeded the October 1987 index by 35.1. The Service has, therefore, determined that the automobile price inflation adjustment for 2003 for trucks and vans is 31.23 percent ($35.1/112.4 \times 100\%$). This adjustment is applicable to all trucks and vans that are first placed in service in calendar year 2003. The dollar limitations in § 280F(a) must therefore be multiplied by a factor of 0.3123, and the

resulting increases, after rounding to the nearest \$100, are added to the 1988 limitations to give the depreciation limitations applicable to trucks and vans.

(2) Amount of the Limitation. For passenger automobiles placed in service by the taxpayer in calendar year 2003, Tables 1 through 9 contain the dollar amount of the depreciation limitation for each tax year. Use Table 1 for passenger automobiles (other than trucks, vans, electric automobiles, § 168(k)(1) passenger automobiles, and § 168(k)(4) passenger automobiles) placed in service by the taxpayer in calendar year 2003. Use Table 2 for § 168(k)(1) passenger automobiles (other than trucks, vans, and electric automobiles) placed in service by the taxpayer in calendar year 2003. Use Table 3 for § 168(k)(4) passenger automobiles (other than trucks, vans, and electric automobiles) placed in service by the taxpayer in calendar year 2003. Use Table 4 for trucks and vans (other than § 168(k)(1) passenger automobiles and § 168(k)(4) passenger automobiles) placed in service by the taxpayer in calendar year 2003. Use Table 5 for trucks or vans that are § 168(k)(1) passenger automobiles placed in service by the taxpayer in calendar year 2003. Use Table 6 for trucks or vans that are § 168(k)(4) passenger automobiles placed in service by the taxpayer in calendar year 2003. Use Table 7 for electric automobiles (other than § 168(k)(1) passenger automobiles and § 168(k)(4) passenger automobiles) placed in service by the taxpayer in calendar year 2003. Use Table 8 for electric automobiles that are § 168(k)(1) passenger automobiles placed in service by the taxpayer in calendar year 2003. Use Table 9 for electric automobiles that are § 168(k)(4) passenger automobiles placed in service by the taxpayer in calendar year 2003.

REV. PROC. 2003-75 TABLE 1
DEPRECIATION LIMITATIONS FOR PASSENGER AUTOMOBILES
(THAT ARE NOT § 168(k)(1) PASSENGER AUTOMOBILES,
§ 168(k)(4) PASSENGER AUTOMOBILES,
TRUCKS, VANS, OR ELECTRIC AUTOMOBILES)
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2003

Tax Year	Amount
1st Tax Year	\$3,060
2nd Tax Year	\$4,900
3rd Tax Year	\$2,950
Each Succeeding Year	\$1,775

REV. PROC. 2003-75 TABLE 2
DEPRECIATION LIMITATIONS FOR
§ 168(k)(1) PASSENGER AUTOMOBILES
(THAT ARE NOT TRUCKS, VANS, OR ELECTRIC AUTOMOBILES)
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2003

Tax Year	Amount
1st Tax Year	\$7,660

2nd Tax Year	\$4,900
3rd Tax Year	\$2,950
Each Succeeding Year	\$1,775

REV. PROC. 2003-75 TABLE 3
DEPRECIATION LIMITATIONS FOR
§ 168(k)(4) PASSENGER AUTOMOBILES (THAT ARE NOT
TRUCKS, VANS, OR ELECTRIC AUTOMOBILES)
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2003

Tax Year	Amount
1st Tax Year	\$10,710
2nd Tax Year	\$ 4,900
3rd Tax Year	\$ 2,950
Each Succeeding Year	\$ 1,775

REV. PROC. 2003-75 TABLE 4
DEPRECIATION LIMITATIONS FOR TRUCKS AND VANS
(THAT ARE NOT § 168(k)(1) PASSENGER AUTOMOBILES OR §
168(k)(4) PASSENGER AUTOMOBILES)
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2003

Tax Year	Amount
1st Tax Year	\$3,360
2nd Tax Year	\$5,400
3rd Tax Year	\$3,250
Each Succeeding Year	\$1,975

REV. PROC. 2003-75 TABLE 5
DEPRECIATION LIMITATIONS FOR TRUCKS AND VANS
THAT ARE § 168(k)(1) PASSENGER AUTOMOBILES PLACED IN
SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2003

Tax Year	Amount
1st Tax Year	\$7,960
2nd Tax Year	\$5,400
3rd Tax Year	\$3,250
Each Succeeding Year	\$1,975

REV. PROC. 2003-75 TABLE 6
DEPRECIATION LIMITATIONS FOR TRUCKS AND VANS
THAT ARE § 168(k)(4) PASSENGER AUTOMOBILES PLACED IN SERVICE
BY THE TAXPAYER DURING CALENDAR YEAR 2003

Tax Year	Amount
1st Tax Year	\$11,010
2nd Tax Year	\$ 5,400
3rd Tax Year	\$ 3,250
Each Succeeding Year	\$ 1,975

REV. PROC. 2003-75 TABLE 7
DEPRECIATION LIMITATIONS FOR ELECTRIC AUTOMOBILES
(THAT ARE NOT § 168(k)(1) PASSENGER AUTOMOBILES OR §
168(k)(4) PASSENGER AUTOMOBILES)
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2003

Tax Year	Amount
1st Tax Year	\$9,080
2nd Tax Year	\$14,600
3rd Tax Year	\$8,750
Each Succeeding Year	\$5,225

REV. PROC. 2003-75 TABLE 8
DEPRECIATION LIMITATIONS FOR ELECTRIC AUTOMOBILES
THAT ARE § 168(k)(1) PASSENGER AUTOMOBILES PLACED IN
SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2003

Tax Year	Amount
1st Tax Year	\$22,880
2nd Tax Year	\$14,600
3rd Tax Year	\$8,750
Each Succeeding Year	\$5,225

REV. PROC. 2003-75 TABLE 9
DEPRECIATION LIMITATIONS FOR ELECTRIC AUTOMOBILES
THAT ARE § 168(k)(4) PASSENGER AUTOMOBILES PLACED IN SERVICE
BY THE TAXPAYER DURING CALENDAR YEAR 2003

Tax Year	Amount
1st Tax Year	\$32,030
2nd Tax Year	\$14,600
3rd Tax Year	\$8,750

Each Succeeding Year \$5,225

03. Inclusions in Income of Lessees of Passenger Automobiles.

The inclusion amounts for passenger automobiles (including § 168(k)(1) passenger automobiles and § 168(k)(4) passenger automobiles) first leased in calendar year 2003 are calculated under the procedures described in § 1.280F-7(a). Lessees of passenger automobiles other than trucks, vans, and electric automobiles should use Table 10 of this revenue procedure in applying these procedures, while lessees of trucks and vans should use Table 11 of this revenue procedure and lessees of electric automobiles should use Table 12 of this revenue procedure.

REV. PROC. 2003-75 TABLE 10

DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES
(THAT ARE NOT TRUCKS, VANS, OR ELECTRIC AUTOMOBILES)
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2003

Fair Market Value of Passenger Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and Later
Over	Not Over					
\$18,000	18,500	10	22	33	40	45
18,500	19,000	12	26	39	46	53
19,000	19,500	14	30	44	53	61
19,500	20,000	15	34	50	59	69
20,000	20,500	17	37	56	66	77
20,500	21,000	19	41	61	73	85
21,000	21,500	21	45	66	80	92
21,500	22,000	22	49	72	87	100
22,000	23,000	25	54	81	97	111
23,000	24,000	28	62	92	110	127
24,000	25,000	32	70	103	123	143
25,000	26,000	35	77	115	137	158
26,000	27,000	39	85	125	151	174
27,000	28,000	42	92	137	165	189
28,000	29,000	46	100	148	178	204
29,000	30,000	49	108	159	191	221
30,000	31,000	52	115	171	205	236
31,000	32,000	56	123	182	218	251
32,000	33,000	59	130	194	231	267
33,000	34,000	63	138	204	245	283
34,000	35,000	66	146	215	259	298
35,000	36,000	70	153	227	272	314
36,000	37,000	73	161	238	285	330
37,000	38,000	77	168	249	299	346
38,000	39,000	80	176	260	313	361
39,000	40,000	83	184	272	326	376
40,000	41,000	87	191	283	340	391
41,000	42,000	90	199	294	353	407
42,000	43,000	94	206	306	366	423
43,000	44,000	97	214	317	380	438
44,000	45,000	101	221	328	394	454
45,000	46,000	104	229	339	407	470
46,000	47,000	108	236	351	420	486
47,000	48,000	111	244	362	434	501
48,000	49,000	115	251	374	447	516
49,000	50,000	118	259	385	460	532

REV. PROC. 2003-75 TABLE 10
DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES (THAT ARE NOT TRUCKS, VANS, OR ELECTRIC
AUTOMOBILES) WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2003

Fair Market Value of Passenger Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and Later
Over	Not Over					
50,000	51,000	121	267	396	474	548
51,000	52,000	125	274	407	488	563
52,000	53,000	128	282	418	502	578
53,000	54,000	132	289	430	515	594
54,000	55,000	135	297	441	528	610
55,000	56,000	139	304	452	542	626
56,000	57,000	142	312	463	556	641
57,000	58,000	146	320	474	569	656
58,000	59,000	149	327	486	582	672
59,000	60,000	152	335	497	596	688
60,000	62,000	158	346	514	616	711
62,000	64,000	165	361	537	642	743
64,000	66,000	171	377	559	670	773
66,000	68,000	178	392	581	697	805
68,000	70,000	185	407	604	724	835
70,000	72,000	192	422	626	751	867
72,000	74,000	199	437	649	778	898
74,000	76,000	206	452	672	804	930
76,000	78,000	213	467	694	832	960
78,000	80,000	220	483	716	859	991
80,000	85,000	232	509	756	906	1,046
85,000	90,000	249	547	812	973	1,124
90,000	95,000	266	585	868	1,041	1,202
95,000	100,000	284	623	924	1,108	1,280
100,000	110,000	309	680	1,009	1,209	1,397
110,000	120,000	344	755	1,122	1,344	1,552
120,000	130,000	378	831	1,234	1,479	1,708
130,000	140,000	413	907	1,346	1,614	1,864
140,000	150,000	447	983	1,459	1,749	2,019
150,000	160,000	482	1,059	1,571	1,884	2,175
160,000	170,000	516	1,135	1,683	2,019	2,331
170,000	180,000	551	1,210	1,796	2,154	2,487
180,000	190,000	585	1,286	1,909	2,288	2,643
190,000	200,000	620	1,362	2,021	2,423	2,798
200,000	210,000	654	1,438	2,133	2,559	2,953
210,000	220,000	689	1,513	2,246	2,694	3,109
220,000	230,000	723	1,589	2,359	2,828	3,265
230,000	240,000	758	1,665	2,471	2,963	3,421
240,000	250,000	792	1,741	2,583	3,098	3,577

REV. PROC. 2003-75 TABLE 11

DOLLAR AMOUNTS FOR TRUCKS AND VANS
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2003

Fair Market Value of Truck or Van		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and Later
Over	Not Over					
\$18,500	19,000	7	14	22	24	29
19,000	19,500	8	18	27	32	36
19,500	20,000	10	22	33	38	44
20,000	20,500	12	26	38	45	52
20,500	21,000	14	29	44	52	60
21,000	21,500	15	34	49	59	67
21,500	22,000	17	37	55	66	75
22,000	23,000	20	43	63	76	86
23,000	24,000	23	51	74	89	102
24,000	25,000	27	58	86	102	118
25,000	26,000	30	66	97	116	133
26,000	27,000	33	73	109	129	149
27,000	28,000	37	81	119	143	165
28,000	29,000	40	89	130	157	180
29,000	30,000	44	96	142	170	196
30,000	31,000	47	104	153	183	212
31,000	32,000	51	111	165	196	227
32,000	33,000	54	119	176	210	242
33,000	34,000	58	126	187	224	258
34,000	35,000	61	134	198	238	273
35,000	36,000	65	141	210	251	289
36,000	37,000	68	149	221	264	305
37,000	38,000	71	157	232	278	320
38,000	39,000	75	164	243	292	336
39,000	40,000	78	172	254	305	352
40,000	41,000	82	179	266	318	367
41,000	42,000	85	187	277	332	383
42,000	43,000	89	194	289	345	398
43,000	44,000	92	202	300	358	414
44,000	45,000	96	209	311	373	429
45,000	46,000	99	217	322	386	445
46,000	47,000	102	225	333	400	460
47,000	48,000	106	232	345	413	476
48,000	49,000	109	240	356	426	492
49,000	50,000	113	247	368	439	507

REV. PROC. 2003-75 TABLE 11
Dollar Amounts For Trucks And Vans With A Lease Term Beginning In Calendar Year 2003

Fair Market Value of Truck or Van		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and Later
Over	Not Over					
50,000	51,000	116	255	379	453	523
51,000	52,000	120	263	389	467	538
52,000	53,000	123	270	401	480	554
53,000	54,000	127	278	412	493	570
54,000	55,000	130	285	424	507	585
55,000	56,000	134	293	434	521	601
56,000	57,000	137	301	445	534	617
57,000	58,000	140	308	457	548	632
58,000	59,000	144	316	468	561	647
59,000	60,000	147	323	480	575	663
60,000	62,000	152	335	496	595	687
62,000	64,000	159	350	519	622	717
64,000	66,000	166	365	542	648	749
66,000	68,000	173	380	564	676	780
68,000	70,000	180	395	587	702	811
70,000	72,000	187	410	609	730	842
72,000	74,000	194	426	631	757	873
74,000	76,000	201	441	654	783	905
76,000	78,000	208	456	676	811	935
78,000	80,000	215	471	699	837	967
80,000	85,000	227	497	739	885	1,021
85,000	90,000	244	535	795	952	1,099
90,000	95,000	261	573	851	1,020	1,177
95,000	100,000	278	611	907	1,088	1,254
100,000	110,000	304	668	992	1,188	1,372
110,000	120,000	339	744	1,104	1,323	1,527
120,000	130,000	373	820	1,216	1,458	1,683
130,000	140,000	408	895	1,329	1,593	1,839
140,000	150,000	442	971	1,442	1,728	1,994
150,000	160,000	477	1,047	1,554	1,862	2,151
160,000	170,000	511	1,123	1,666	1,998	2,306
170,000	180,000	546	1,198	1,779	2,133	2,462
180,000	190,000	580	1,274	1,892	2,267	2,618
190,000	200,000	615	1,350	2,004	2,402	2,773
200,000	210,000	649	1,426	2,116	2,537	2,929
210,000	220,000	684	1,502	2,228	2,672	3,085
220,000	230,000	718	1,578	2,341	2,807	3,240
230,000	240,000	753	1,653	2,454	2,942	3,396
240,000	250,000	787	1,729	2,566	3,077	3,552

REV. PROC. 2003-75 TABLE 12

DOLLAR AMOUNTS FOR ELECTRIC AUTOMOBILES
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2003

Fair Market Value of Electric Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and Later
Over	Not Over					
\$53,000	54,000	28	60	90	108	124
54,000	55,000	31	68	101	121	140
55,000	56,000	35	76	112	134	156
56,000	57,000	38	83	124	148	171
57,000	58,000	42	91	134	162	187
58,000	59,000	45	98	146	175	203
59,000	60,000	49	106	157	188	218
60,000	62,000	54	117	174	209	241
62,000	64,000	61	132	197	235	273
64,000	66,000	68	147	219	263	304
66,000	68,000	75	163	241	290	334
68,000	70,000	81	178	264	317	366
70,000	72,000	88	193	287	343	397
72,000	74,000	95	208	309	371	428
74,000	76,000	102	223	332	397	460
76,000	78,000	109	239	353	425	491
78,000	80,000	116	254	376	452	521
80,000	85,000	128	280	416	499	576
85,000	90,000	145	318	472	566	655
90,000	95,000	162	356	528	634	732
95,000	100,000	180	394	584	701	810
100,000	110,000	206	451	668	803	926
110,000	120,000	240	527	781	937	1,082
120,000	130,000	275	602	894	1,072	1,238
130,000	140,000	309	678	1,006	1,207	1,394
140,000	150,000	344	754	1,118	1,342	1,550
150,000	160,000	378	830	1,231	1,477	1,705
160,000	170,000	413	905	1,344	1,612	1,861
170,000	180,000	447	981	1,456	1,747	2,017
180,000	190,000	482	1,057	1,568	1,882	2,172
190,000	200,000	516	1,133	1,681	2,016	2,329
200,000	210,000	551	1,208	1,794	2,151	2,484
210,000	220,000	585	1,284	1,906	2,287	2,639
220,000	230,000	620	1,360	2,018	2,421	2,796
230,000	240,000	654	1,436	2,131	2,556	2,951
240,000	250,000	689	1,511	2,244	2,691	3,107

04. Maximum Automobile Value for Using the Cents-per-mile Valuation Rule.

(1) Amount of Adjustment. Under § 1.61-21(e)(1)(iii)(A), the limitation on the fair market value of an employer-provided passenger automobile first made available to any employee for personal use after 1988 is to be adjusted in accordance with § 280F(d)(7). Accordingly, the adjustment for any calendar year is the percentage (if any) by which the CPI automobile component for October of the preceding calendar year exceeds the CPI automobile component for October 1987. See, section 4.02(1) of this revenue procedure. The new car component of the CPI was 115.2 for October 1987 and 136.7 for October 2002. The October 2002 index exceeded the October 1987 index by 21.5. The Service has, therefore, determined that the adjustment for 2003 is 18.66 percent ($21.5/115.2 \times 100\%$). This adjustment is applicable to all employer-provided passenger automobiles first made available to any employee for personal use in calendar year 2003. The maximum fair market value specified in § 1.61-21(e)(1)(iii)(A) must therefore be multiplied by a factor of 0.1866, and the resulting increase, after rounding to the nearest \$100, is added to \$12,800 to give the maximum value for calendar year 2003.

(2) The Maximum Automobile Value. For passenger automobiles first made available in calendar year 2003 to any employee of the employer for personal use, the vehicle cents-per-mile valuation rule may be applicable if the fair market value of the passenger automobile on the date it is first made available does not exceed \$15,200.

.05 Revised Limitation Amounts for § 168(k)(1) Passenger Automobiles Placed in Service During 2001 and 2002.

(1) Calculation of the Revised Amount. The revised depreciation limits provided in this section for § 168(k)(1) passenger automobiles (other than electric automobiles) were calculated by augmenting the existing limitations on the first year allowance in Rev. Proc. 2001-19 (for passenger automobiles placed in service in calendar year 2001) and in Rev. Proc. 2002-14 (for passenger automobiles placed in service in calendar year 2002) by \$4,600. Similarly, the revised depreciation limits provided in this section for electric automobiles that are § 168(k)(1) passenger automobiles were calculated by augmenting the existing limitations on the first year allowance in Rev. Proc. 2001-19 (for electric automobiles placed in service in calendar year 2001) and in Rev. Proc. 2002-14 (for electric automobiles placed in service in calendar year 2002) by \$13,800 (\$4,600 tripled).

(2) Amount of the Revised Limitation. For § 168(k)(1) passenger automobiles (other than electric automobiles) placed in service by the taxpayer in calendar year 2001, Table 13 of this revenue procedure contains the revised dollar amount of the depreciation limitations for each tax year. For electric automobiles that are § 168(k)(1) passenger automobiles placed in service by the taxpayer in calendar year 2001, Table 14 of this revenue procedure contains these revised amounts. For § 168(k)(1) passenger automobiles (other than electric automobiles) placed in service by the taxpayer in calendar year 2002, Table 15 of this revenue procedure contains the

revised dollar amount of the depreciation limitations for each tax year. For electric automobiles that are § 168(k)(1) passenger automobiles placed in service by the taxpayer in calendar year 2002, Table 16 of this revenue procedure contains these revised amounts.

REV. PROC. 2003-75 TABLE 13
DEPRECIATION LIMITATIONS FOR § 168(k)(1) PASSENGER AUTOMOBILES
(THAT ARE NOT ELECTRIC AUTOMOBILES) FIRST PLACED
IN SERVICE BY THE TAXPAYER IN CALENDAR YEAR 2001

Tax Year	Amount
1st Tax Year	\$7,660
2nd Tax Year	\$4,900
3rd Tax Year	\$2,950
Each Succeeding Year	\$1,775

REV. PROC. 2003-75 TABLE 14
DEPRECIATION LIMITATIONS FOR ELECTRIC AUTOMOBILES THAT ARE §
168(k)(1) PASSENGER AUTOMOBILES FIRST PLACED IN SERVICE BY THE
TAXPAYER IN CALENDAR YEAR 2001

Tax Year	Amount
1st Tax Year	\$23,080
2nd Tax Year	\$14,800
3rd Tax Year	\$ 8,850
Each Succeeding Year	\$ 5,325

REV. PROC. 2003-75 TABLE 15
DEPRECIATION LIMITATIONS FOR § 168(k)(1) PASSENGER AUTOMOBILES
(THAT ARE NOT ELECTRIC AUTOMOBILES) FIRST PLACED IN SERVICE BY
THE TAXPAYER IN CALENDAR YEAR 2002

Tax Year	Amount
1st Tax Year	\$7,660
2nd Tax Year	\$4,900
3rd Tax Year	\$2,950
Each Succeeding Year	\$1,775

REV. PROC. 2003-75 TABLE 16
DEPRECIATION LIMITATIONS FOR ELECTRIC AUTOMOBILES
THAT ARE § 168(k)(1) PASSENGER AUTOMOBILES FIRST PLACED IN
SERVICE BY THE TAXPAYER IN CALENDAR YEAR 2002

Tax Year	Amount
1st Tax Year	\$22,980
2nd Tax Year	\$14,700
3rd Tax Year	\$ 8,750
Each Succeeding Year	\$ 5,325

SECTION 5. EFFECTIVE DATE

This revenue procedure, with the exception of section 4.05, applies to passenger automobiles (other than leased passenger automobiles) that are first placed in service by the taxpayer during calendar year 2003, to leased passenger automobiles that are first leased by the taxpayer during calendar year 2003, and to employer-provided passenger automobiles first made available to employees for personal use in calendar year 2003. Section 4.05 of this revenue procedure applies to § 168(k)(1) passenger automobiles that are placed in service by the taxpayer during calendar year 2001 or 2002.

SECTION 6. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2001-19 and Rev. Proc. 2002-14 are amplified.

DRAFTING INFORMATION

The principal author of this revenue procedure is Bernard P. Harvey of the Office of the Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding the depreciation limitations and lessee inclusion amounts in this revenue procedure, contact Mr. Harvey at (202) 622-3110; for further information regarding the maximum automobile value for applying the vehicle cents-per-mile valuation rule, contact John B. Richards of the Office of the Associate Chief Counsel (Tax Exempt and Government Entities) at (202) 622-6040 (not toll-free calls).